Agenda:

- Risk Management – What’s it all about?
- Our Aims & Objectives in managing risk.
- Getting it right V’s Getting it wrong.
- Key roles and responsibilities
- Managing risk – Is it so different?
- Conflicts of Interest
- Further understanding Best Practice
Castle Point and Rochford CCG - Context

What is risk?

At its simplest, risk is the possibility that loss or harm will arise from a given situation.

This encompasses anything from the possibility of injury to an individual patient or member of staff to anything which impacts upon the CCG’s ability to fulfil its aims and objectives.
Castle Point and Rochford CCG- Context

What is risk management?

Risk Management may be defined as a proactive approach to the:

- Identification of risks;
- Analysis and assessment of the likelihood and potential impact of risks;
- Elimination of those risks that can be reasonably and practicably eliminated;
- Control of those risks that cannot be eliminated by reducing their effects to an acceptable level.
Castle Point and Rochford CCG- Context

Why manage risk?
- To achieve the Group’s commissioning objectives
- NHS England – national objectives
- Now live! – its for real….
- New way of doing business in the NHS
- A new Governing Body (the Board)
- High expectation
- Safe, legal, viable and sustainable
- Our CCG Constitution
- ....and stuff happens!
Why risk management is vital

“…..the Board should consider what are the significant risks and assess how they have been identified, evaluated and managed…..”

- The Turnbull Report, September 1999
Our risk management aims …

- Ensure we *achieve* our corporate objectives and *realising* the significant quality, financial and organisational *benefits* from minimising risk;

- Ensure our processes are based on *best practice* and national guidance and cover all aspects of *Governance*;

- Ensure the CCG Board *agree* on the Annual Governance Statement;

- To *continue top embed risk management* practices into the day-to-day functions of the CCG and within the role of every Board member and member of staff.
When we get Risk Management right …

Continuous Improvement & better outcomes:
- More effective strategic business management – thinking a head, anticipating, preparing and planning.
- More informed decision making – prepared to take risks!
- Cost - effective internal control framework (proportionate to needs)
- Stronger and more visible corporate governance
- Provides a sound operating framework throughout the organisation
- Enhance reputation with patients, partners, investors and stakeholders
- Drives resource allocation and helps in the management of costs
And when it all goes wrong…

NHS fraudster stole £1,500 ‘to support her family’
Man jailed for hospital thefts
Nurse made £10,000 on sick leave

Mid Staffordshire NHS Foundation Trust
Stafford Hospital

The Sunday Times
What’s it all about, Michael?
Tories attack Met over ‘disgusting’ Plebgate leak
GPs’ private firms grab NHS cash

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Responsibility of the CCG Board

- Ensuring that the CCG has an effective programme for managing all types of risk – Top 10, Board Assurance Framework, Corporate Risk Register

- Verify that risks are being managed appropriately and that the CCG can deliver its objectives

- The Board receive and consider reports from the Audit and Quality and Performance Committees. Consider risk reduction plans and monitors progress on action plans.

- Assurance that each organisation is doing its reasonable best to manage the CCG’s affairs efficiently and effectively through the implementation of internal controls to manage risk.
Managing Commissioned Services

- All agreements / contracts will have a *clear statement* of their responsibilities and report any serious incidents (SIs) to the CCG.

- The CCG will *seek assurance* on the quality of the services it commissions and carry out regular quality monitoring meetings.

- Any *areas of concern identified* will be managed through continued contract monitoring and the CCG’s risk register systems and processes.

- Continue to *further embed risk* management in its commissioning mechanisms.
Look Familiar?
Managing your local risks…..

Your thoughts - *dealing with a patient at the surgery?*

- What is your objective?
- How do you assess the risks you face?
- What type of risks do you face?
- How do you manage and mitigate the risks?
- What do you do if the risk is too great?
- How do you obtain and share risk knowledge acquired with others in the surgery?
Managing the CCG Risks……

- How different will it be managing risk as a member of the Governing Body of the CCG?
- What will I need to consider differently?
- How will the risks be different?
Have you considered……..

- Conflict of Interests *
- Anti-Bribery – CCG Policy
- Gifts and Hospitality – CCG Policy
- Procurement – CCG Strategy
- Counter Fraud – CCG Specialist?
Conflicts of Interest

Any situation in which a member’s personal interests or responsibilities may, or may appear to, influence the organisation’s decision-making.”

Examples:
- Personal financial gain
- Related party financial gain
- Financial gain where interest in a company
- Non-financial gain
- Conflict of loyalty
426 (36%) of the 1,179 GPs in executive positions had a financial interest in a for-profit private provider beyond their own GP practice – a provider from which their CCG could potentially commission services.

Including:
- senior directorships in local businesses set up to provide services such as diagnostics, minor surgery, out-of-hours services and pharmacies
- shareholdings in large private-sector health companies that provide care in conjunction with local doctors.

It provides the clearest evidence to date of the conflicts many doctors that sit on CCG Boards have to manage dealing with the statutory responsibility for commissioning around £60bn of NHS healthcare

Source: BMJ
Conflicts of Interest – The Examples…..

*From as big as £150,000*

The Sunday Times sensationalised the headline:
“GPs’ private firms grab NHS cash”

referring to a CCG chairman curbing his own involvement in a company that has been commissioned to help obese patients, while his wife remains a shareholder.

*To as little as £7,000*

Chair of a CCG promoting their own book across the local network of GP’s via their role on the CCG Board. Chair resigned.

(See also example scenario sheet)
Conflicts of Interest – What we need….

Statutory requirements:

CCGs must maintain one or more registers of interest of:
- the members of the group;
- members of its governing body;
- members of its committees or sub-committees of its governing body, and;
- its employees.

CCGs must publish, or make arrangements to ensure that members of the public have access to these registers on request.

*BMA has suggested that the register should be formally refreshed every three months*
Key ingredients of risk management at Castle Point and Rochford CCG
Its all about achieving objectives…..!

- Roles and responsibilities are *understood*
- It is an *on going process* built into all aspects of the business of the Group – *risk identification, measurement, review of controls, escalation, monitoring and reporting*
- Know what is acceptable and what is not (*the risk appetite*)
- Coordination & Communication
  - Actions agreed need to make a *positive difference* and *be implemented*
- Where things do go wrong – *learn from it*
- Where things go wrong elsewhere – *learn from others*
The future of risk management……! 

- Robust Risk Management Strategy
- Governing Body Awareness – roles and responsibilities
- Do we know what our key risks are?
- Governing Body Challenge – on the key risks
- Regular and up to date risk information
- Governing Body Assurance – how can we be assured?
The future of risk management…

Just a few more slides – but could help!

Some examples of things we may need to think about on the future risk management structure at Castle Point and Rochford CCG?

- The Risk Management Continuum
- Basement to Boardroom Risk Management
- Risk, Cause and Effect Analysis
- Scoring methodology and reporting
The Risk Management Continuum

- Establish Risk Management
- Set the tone: Policy, Strategy & Communication
- Identify, & Measure Risks
- Actions
- Develop Risk Management Mitigation Plans
- Transparency & Accountability: Stronger Corporate Governance
- Make Improvements
- Revise and Change - Better Business Planning and Outcomes

The Group’s business objectives

- Safe
- Legal
- Viable
- Sustainable

- Monitor Risk Management Performance
- Implement Risk Management Plans
- Measuring & Assurance

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The Risk Management Continuum

The Group’s business objectives

Revise and Change - Better Business Planning and Outcomes

Establish Risk Management

Set the tone: Policy, Strategy & Communication

Identify, & Measure Risks

Actions

Make Improvements

Develop Risk Management Mitigation Plans

Transparency & Accountability: Stronger Corporate Governance

Safe      Legal    Viable    Sustainable

Monitor Risk Management Performance

Implement Risk Management Plans

Measuring & Assurance

Systems & Activities

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**Overview: Basement to Boardroom Risk Management**

**Board Assurance**
This is a direct output from the risk management process:
- Assurance provided that controls are effective in the case where inherently high/extreme risks are mitigated to a lower residual classification.
- Assurance provided that actions are progressing where risk is both inherently and residually high/extreme.
- Our risk appetite i.e. assurance over the management of risk where our appetite or tolerance to the risk is low.

**Risk Management**
Those business risks that, if realised, could fundamentally affect the way in which the organisation exists or conducts its business. These risks will have a detrimental effect on the organisation's achievement of its key business objectives. The risk realisation will lead to material failure, loss or lost opportunity.

The main operational risks associated with the key business activities and processes that if realised would increase the likelihood of a strategic risk realising.

Key business activities and processes on which the organisation is reliant for successful execution of its strategies.
Objective – Safeguarding children and adults from harm which are using our services

So what that means…. 

CAUSE → RISK → EFFECT

Cause 1
Lack of awareness of safeguarding responsibilities

Cause 2
Poor application of the safeguarding process

Effect 1
Individual harm

Effect 2
Reputation Damage to CCG and local health economy

Safeguarding Incident Occurs
Objective – Safeguarding children and adults from harm which are using our services

CAUSE -> RISK

Preventive Controls

- Cause 1: Lack of awareness of safeguarding responsibilities
  - Control 1: Clear CCG Safeguarding Policy in place
- Cause 2: Poor application of the safeguarding process
  - Control 2: Staff Awareness training undertaken
  - Control 3: Written procedures and standards in place
  - Control 4: Safeguarding Lead within CCG

Safeguarding Incident Occurs

May reduce Likelihood

Friday, 28 June 13
Objective – Safeguarding children and adults from harm which are using our services

RISK

Mitigating or Recovery Controls

- **Control 1**: Thorough Investigation and Provider Assurance Process
- **Control 2**: Process to gain provider assurance that care plans were being delivered
- **Control 3**: Effective, demonstrative Media and Press Communication Plan

EFFECT

- **Effect 1**: Individual harm
- **Effect 2**: Reputation Damage to CCG and local

May reduce Impact

Safeguarding Incident Occurs
### Example: Risk Register Format

#### 1. Strategic

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Risk Title</th>
<th>Cause &amp; Effect</th>
<th>Inherent Risk Priority</th>
<th>Existing Controls</th>
<th>Residual Risk Priority</th>
<th>Action Required</th>
</tr>
</thead>
</table>
| STR 1    | Failure to ensure patient safety | Cause(s):  * Patient safety not embedded as part of commissioned services contracts.  
* Inadequate monitoring of contracts and performance  
* No process in place to recognise and identify at an early stage patient safety incidents.  
* No clear procedure on how to respond to patient safety issues.  
Effect(s):  * Death or serious harm of a patient-adult or child.  
* Poor quality care delivery.  
* Rise in infections.  
* CCG Governing Body and Executive team unaware of issues. | 5 | 4 | Very High | Regular contract meetings every month that discusses all issues regarding patient safety  
Contract performance meetings held every month and reports presented to Committee  
Policy in place that has been issued to all staff that clearly explains process for dealing with incidents – Staff signed to say they have understood it  
Procedure document produced and approved at Committee – training required | 5 | 2 | High | Conduct Safeguarding training for CCG governing body  
Person Responsible: Cliff Top  
To be implemented by: 01/06/2013  
Review all policies in 12 months  
Person Responsible: Helen Back  
To be implemented by: 31/01/2014  
Review metrics from providers  
Person Responsible: Gail Force  
To be implemented by: 01/06/2013  
Review of Serious Incident Review Group Terms of Reference  
Person Responsible: Wendy Windblows  
To be implemented by: 30/06/2013 |

...but it doesn’t all have to look like this!
**Example: Assurance Report Format**

**1. Strategic**

<table>
<thead>
<tr>
<th>Risk Ref</th>
<th>Risk Title</th>
<th>Residual Risk Priority</th>
<th>Risk Control</th>
<th>Assurance Source</th>
<th>Assurance Given</th>
<th>Assurance Type</th>
<th>Assurance Level</th>
<th>Assurance Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>STR 1</td>
<td>Failure to ensure patient safety</td>
<td>5</td>
<td>Regular contract meetings every month that discusses all issues regarding patient safety</td>
<td>Meeting notes held with Head of &gt;&gt;&gt;&gt;&gt;&gt;</td>
<td>Yes</td>
<td>1st Line - Management</td>
<td>Adequate</td>
<td>Apr 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Contract performance meetings held every month and reports presented to Committee</td>
<td>Head of Contract Performance holds copies of all reports</td>
<td>Yes</td>
<td>2nd Line - Committee</td>
<td>Adequate</td>
<td>June 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Policy in place that has been issued to all staff that clearly explains process for dealing with incidents – Staff signed to say they have understood it</td>
<td>Internal Audit review carried out in last 3 months</td>
<td>Yes</td>
<td>3rd Line - Internal Audit</td>
<td>Substantial</td>
<td>May 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Procedure document produced and approved at Committee – training required</td>
<td>Procedure document held on Intranet</td>
<td>No</td>
<td>Unknown</td>
<td>Unknown</td>
<td></td>
</tr>
</tbody>
</table>

...but it doesn’t all have to look like this!
Example Risk Map

<table>
<thead>
<tr>
<th>CONSEQUENCES</th>
<th>LIKELIHOOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rare 1</td>
</tr>
<tr>
<td>Minor -1</td>
<td>1</td>
</tr>
<tr>
<td>Moderate -2</td>
<td>2</td>
</tr>
<tr>
<td>Serious -3</td>
<td>3</td>
</tr>
<tr>
<td>Major -4</td>
<td>4</td>
</tr>
<tr>
<td>Fatal -5</td>
<td>5</td>
</tr>
</tbody>
</table>

**KEY:**
- Low risk (1 - 3)
- Moderate risk (4 - 6)
- High risk (8 - 12)
- Extreme risk (15 - 25)
Any Questions?

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